

Washington State Auditor's Office
Accountability Audit Report

City of Aberdeen
Grays Harbor County

Audit Period
January 1, 2001 through December 31, 2001

Report No. 64179

Issue Date
December 13, 2002



Washington _____
State Auditor

Brian Sonntag

Audit Summary

**City of Aberdeen
Grays Harbor County
January 1, 2001 through December 31, 2001**

ABOUT THE AUDIT

This report contains the results of our independent audit of the City of Aberdeen for the period January 1, 2001, through December 31, 2001.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by City management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

In most areas, the City complied with state laws and regulations and its own policies and procedures. However, we identified three conditions significant enough to report as findings relating to noncompliance with state laws and federal requirements for bidding requirements, certification of City expenditures and subrecipient monitoring. These findings are included in a separate report on the City's financial statements and compliance with federal program requirements.

RELATED REPORTS

Our opinion on the City's financial statements and compliance with federal program requirements is provided in a separate report, which includes the City's financial statements. This report also includes three federal findings regarding violations of compliance with state law and federal requirements.

CLOSING REMARKS

We thank City officials and personnel for their assistance and cooperation during the audit.

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Grays Harbor County
January 1, 2001 through December 31, 2001**

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Description of the City

City of Aberdeen Grays Harbor County January 1, 2001 through December 31, 2001

ABOUT THE CITY

The City of Aberdeen is a first class city serving 16,400 citizens in Grays Harbor County. A mayor-council form of government administers the City. There are 12 elected Council Members and an independently elected Mayor.

The City operates on an annual general fund operating budget of \$12.4 million. Its employees provide a full range of services including public safety, fire protection, Municipal Court, utilities, streets, parks and recreation, planning and zoning, and general administrative services. The City is also one of three entities participating in the Grays Harbor County Drug Task Force.

AUDIT HISTORY

We audit the City annually. The past five audits have reported some areas of concern, as has the current audit.

The 1998 audit contained two findings: one identifying weaknesses in internal controls over fixed assets and the second addressing noncompliance with federal subrecipient monitoring requirements for a federal Community Development Block Grant received by the City.

The current audit identified three conditions significant enough to report as findings relating to compliance with state laws and federal requirements. These findings are included in our report on the City's financial statements and compliance with federal program requirements.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	Mike Wilson
Council Members:	
Ward 1	Bob Shortt
	Rhonda Steinman
Ward 2	Alice Phelps
	Doug Paling
Ward 3	Jo-Ann Andrews
	Tom Laufman
Ward 4	Tobi Buckman
	Bob Wiggins (resigned October 2001)
	Dorothy Voegel (appointed in November 2001)
Ward 5	Bob McCullough
	Bill Simpson
Ward 6	Jim Manenica
	Jerry Mills

APPOINTED OFFICIALS

Finance Director
City Attorney
Chief of Police
Fire Chief
Public Works Director
Parks and Recreation Director
Planning and Economic Development
Personnel Services Manager
Municipal Court Judge

Fred Thurman
Eric Nelson
Bob Maxfield
Dave Carlberg
Larry Bledsoe
Wes Peterson
Brian Shea
Marsha Olsen
Paul Conroy

ADDRESS

City

200 East Market Street
Aberdeen, WA 98520
(360) 533-4100

Audit Areas Examined

City of Aberdeen Grays Harbor County January 1, 2001 through December 31, 2001

In keeping with general auditing practices, we do not examine every portion of the City of Aberdeen's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Purchase of goods and services
- Payroll
- Petty cash, change and revolving accounts
- Cash receipting and revenues (Parks and Recreation, Animal Control Services, utilities and Fire Department)

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Use of restricted funds
- Budgeting requirements
- Conflict of interest laws
- Competitive bid law compliance
- Debt limitation/use of bond proceeds
- Open Public Meetings Act

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal requirements, as applicable, for the City's major federal programs, which are listed in the Federal Summary section of the financial statement and federal single audit report.

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. This report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Property and equipment
- Long-term debt
- Overall presentation of the financial statements